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Sick Leave Credit Eyed

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The surprise White House plan to stop giving civil servants retirement credit for unused sick leave could be the first step in a major overhaul of the leave program—one of the few remaining fringe benefits where Uncle Sam is more generous than the private sector.

Under the proposal, part of President Reagan's budget, federal workers who have large amounts of sick leave could no longer apply it to their service time to increase their pensions.

If approved by Congress, it would mean a four-year phase-out of the sick leave-retirement credit system. Currently, employees who are eligible to retire can apply unused sick leave—in 30-day increments—toward retirement. For each month of unused sick leave an employee turns back to government he or she gets credited with a month of federal service for retirement purposes.

Under the White House proposal, employees would get credit for only 80 percent of their sick leave if they retire next year; 60 percent credit if they retire in 1987; 40 percent credit in 1988 and no credit for unused sick leave if they retire in 1989.

Congress set up the sick leave crediting program in 1969 as an incentive to get workers to use their leave sparingly.

If Congress agreed to eliminate sick leave credit, the next logical step would be to trim the amount of leave employees earn. The Grace Commission report on ways to cut federal spending recommended reducing federal sick and annual leave.

Employees now get 13 days of sick leave each year. They can accumulate any amount. Many private firms have a use-it-or-lose-it system.

Federal workers with 15 or more years of service get 26 days of annual leave (vacation) each year. Workers with

between 3 years and 15 years of service get 20 days, and employees with less than 3 years earn 13 days a year.

Administration officials say there are no "immediate plans" to push for any other changes in the federal leave system, but the Office of Personnel Management is reviewing possible changes.